

## Message Text

UNCLASSIFIED

PAGE 01 KATHMA 01446 060443Z  
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04  
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01  
/094 W

-----060634Z 077789 /17

R 060423Z APR 77  
FM AMEMBASSY KATHMANDU  
TO SECSTATE WASHDC 7924

UNCLAS KATHMANDU 1446

E.O. 11652 N/A  
TAGS: ETRD, NP  
SUBJ: GSP: FIRST YEAR REVIEW

REF: STATE 067507

1. NEPAL HAS ENCOUNTERED NO OVERT PROBLEMS WITH THE GSP SYSTEM TO DATE. AT THE SAME TIME, GSO HAS SO FAR BEEN OF NEGIGIBLE BENEFIT TO NEPAL. ACCORDING TO STATISTICS JUST RECEIVED FROM THE DEPT., TOTAL 1976 GSP-ELIGIBLE EXPORTS TO THE U.S. WERE ONLY \$160,781. THIS REFLECTS THE FACTS A) THAT NEPAL'S PRIMARY EXPORT TO THE U.S. - JUTE HESSIANS - WAS ALREADY DUTY-FREE AND THEREFORE NOT PERTINENT TO GSP, AND B) THAT THE EXTREMELY UNDEVELOPED STATE OF THE NEPALESE ECONOMY STRINGENTLY LIMITS BOTH THE NATURE AND THE QUANTITY OF PRODUCTION OF EXPORTABLE ITEMS. OF THIS \$160,781, ONLY \$64,327 ACTUALLY ERROR, AS \$49,515 OF THE EXCLUDED AMOUNT IS LISTED AS "CAFFEINE". TO THE BEST OF OUR AND GON TRADE AUTHORITIES' KNOWLEDGE, NEPAL NEITHER EXPORTS OR PRODUCES CAFFEINE. IN ANY EVENT, THE REMAINING EXCLUDED ITEMS ARE OF SUCH LOW ABSOLUTE AMOUNTS THAT THEY PRESUMABLY REFLECT FOR THE MOST PART DECLARATIONS BY INDIVIDUAL TOURISTS WHO HAD NEVER HEARD OF, OR WANTED TO

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BOTHER WITH FORM A.

2. NEPALESE TRADERS AND GOVT AUTHORITIES CONTINUE TO EXHIBIT INTEREST IN THE POTENTIAL BENEFIT OF THE U.S. GSP TO NEPAL, BUT ARE MOVING ONLY VERY SLOWLY AND UNCERTAINLY TOWARD IDEAS ON HOW TO EXPAND PRODUCTION SO AS TO TAKE ADVANTAGE OF IT. EMBASSY HAS POINTED OUT TO

THE GON TRADE PROMOTION CENTER THAT THE STATISTICS JUST RECEIVED COULD BE USEFUL IN IDENTIFYING ITEMS FOR WHICH EMPHASIS ON EXPANDING PRODUCTION COULD PAY OFF.  
MAYTAG

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, GENERALIZED PREFERENCES (TARIFFS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 06-Apr-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
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**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009